

News Release

PRESS OFFICE

Release Date: December 19, 2005

Release Number: 05-78

Contact: Carol Chastang (202) 205-6987

Internet Address: <http://www.sba.gov/news>

SBA Hurricane Loans Surpass \$1.5 Billion; Agency approves \$500 million in two weeks

WASHINGTON – More than \$1.56 billion in U.S. Small Business Administration disaster assistance loans have been approved for almost 23,000 residents and business owners affected by the devastating hurricanes that struck earlier this year. Loan approvals are averaging approximately \$37 million per day in December, with \$500 million approved in two weeks time.

“The steps we have taken thus far to enhance our loan processing capabilities are beginning to pay off, and the SBA is approving disaster loans at a near-record pace, despite the substantial hurdles caused by the damage and dislocation of these storms,” said SBA Administrator Hector V. Barreto.

“While maintaining our responsibility to the taxpayer, we have reached the \$1.5 billion mark four months faster than we did after the Florida hurricanes of 2004,” Barreto said.

“I have recently returned from my fifth trip to the Gulf Coast, and I can tell you that our people in the Gulf Coast areas are working tirelessly, with the greatest dedication and compassion to help those affected by this terrible disaster,” Barreto said.

Barreto noted that only three previous disasters in history led to more than \$1 billion in SBA loans: the Northridge earthquake in 1994; the Sept. 11, 2001, terrorist attacks, and the multiple hurricanes that struck Florida last year.

“The number of SBA staff devoted to responding to disasters has more than quadrupled, from 880 before Katrina struck to nearly 4,000 today,” Barreto said. “And they are processing loans for the people of the Gulf Coast just as fast as they can. They have processed more than 119,000 applications and performed almost 118,000 site inspections – a normal year’s worth in just three months.”

The SBA has taken a number of steps to accelerate loan-processing and expand loan-processing capacity:

- Hiring and training nearly 3,100 employees
- Doubling the size of the loan processing center, and quadrupling the size of the call center
- Doubling access to the loan processing system
- Streamlining documentation for all business loans
- Simplifying approvals and processes for business loans under \$100,000
- Expediting approvals with credit scoring
- Creating a new system for tax verification with IRS